of activities ranging from public health, environmental issues, research and academic fields to micro-financing and industrial development there is no central mechanism to maintain a data base on the State-wise flow and performance of aid to different agencies/projects.

Removal of Restrictions on Import and Export

4454. SHRI NANA DESHMUKH : Will the Minister of COMMERCE AND INDUSTRY be pleased to state :

(a) Whether it is a fact that India had removed restrictions on the import and export trade policy but the U.S.A. had not removed its restrictions against India.

(b) whether it is also a fact that the new export-import policy of the Government and special zones created thereunder are under fire;

(c) if answers to parts(a) and (b) above be in the affirmative, what are the reasons therefor; and

(d) what remedial measures Government are taking in this regard?

THE MINISTER OF COMMERCE AND INDUSTRY (SHRI MURASOLI MARAN) : (a) to (d) India has been following a continuous policy of removal of restrictions on imports since 1991. Tariff line-wise import polic was first announced on 31-3-1996. As on that date import of 6161 tariff line (at 10 digit level) out of the total number of 10202 tariff lines (at 10 digit level, was free. Import restrictions on 488 tariff lines (at 10 digit level) were removed during the period 1-4-96 to 31-3-97. Further 391 tariff lines (at 8 digit level) were freed during the period 1-4-97 to 13-4-98 and 894 tariff lines (at 8 digit level) were freed on 1-4-99. Thus removal of import restrictions on 714 tariff line as carried out on 31-3-2000 was nothing but the continuation of the stated policy of the Government over the years.

Under the General Agreement on Tariffs and Trade (GATT), 1947 all Members were obliged to remove all the Quantitative Restrictions (QRs) maintained on imports. India, being a Founder Member, was also obliged to remove the QRs but it took recourse to the exception provided in GATT for maintaining such QRs owing to balance of payments (BoP) difficulties.

However, since 1995, with substantial improvement in India's BoP position, certain Members questioned India's continued justification for maintaining QRs on BoP grounds. India could negotiate with all other trading partners, with the

exception of USA, for phasing out these QRs USA filed a dispute against India in WTO and the Dispute Settlement Panel ruled against India. India filed an appeal before the Appellate Body of WTO against the findings of the Panel but the Appellate Body also upheld the findings of Panel. Both these Reports were adopted by the Dispute Settlement Body (DSB). Consequently, a bilateral Agreement was signed between India and USA for determining the reasonable period of time for implementing the rulings and recommendations of DSB. As per the Agreement, QRs on 714 items have been removed with effect from 1-4-2000 and QRs on remaining 715 items are to be removed by 1-4-2001.

USA is not maintaining any Quantitative Restrictions on imports on account of Balance of Payments reasons . However, USA maintains import restrictions on textile products in form of 'quota'. As per the Agreement on Textile and Clothing of WTO, all members including USA are obliged to remove these restrictions in a phased manner. These restrictions are to be completely removed by 1-4-2005.

Apprehensions have been expressed in certain quarters regarding the adverse impact of import restrictions removal on 714 items on domestic producers. These fears are premature, as the imports are being closely monitored and government would strive to ensure, through appropriate use of tariff mechanism that imports do not cause any serious detriment or injury to the domestic industry.

The Special Economic Zone scheme announced in the new export-import policy is a WTO compatible scheme, which has been widely welcomed by all, including various state governments. Proposals have been received from some of the state governments for setting up such zones in their states.

Changes in the duty entitlement Passbook Scheme

4455. SHRI PARMESHWAR KUMAR AGARWALLA : Will the Minister of COMMERCE AND INDUSTRY be pleased to state :

(a) what are the changes made in the Duty Entitlement Passbook scheme introduced in the Exim Policy; and

(b) what will be the savings expected to be made out of the changes ?

THE MINISTER OF COMMERCE AND INDUSTRY (SHRI MURASOLI MARAN) : (a) In the revised Exim Policy announced on 31-03-2000, some changes have been made in the Duty Entitlement Passbook